



CHINA YUANBANG PROPERTY HOLDINGS LIMITED

(Incorporated in Bermuda)

(Co. Reg. No: 39247)

1ST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group Statement of Comprehensive Income for period ended 30 September 2016. These figures have not been audited.

	Group 3 months ended		% Changes
	30/09/2016 RMB'000 Unaudited	30/09/2015 RMB'000 Unaudited	
Revenue	37,506	169,738	(77.9)
Cost of sales	(30,254)	(140,674)	(78.4)
Gross profit	7,252	29,064	(75.7)
Other income and gains	6,166	7,581	(13.4)
Selling expenses	(4,878)	(6,406)	(23.9)
Administrative expenses	(14,710)	(30,185)	(49.3)
Other operating expenses	(1,921)	(1,293)	(48.6)
Loss before income tax	(8,091)	(1,239)	583.7
Income tax expense	(469)	(3,740)	(100.0)
Loss for the period	(8,560)	(4,979)	(70.1)
Other comprehensive income, net of tax items, that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations	111	(173)	(164.2)
Total comprehensive income for the period	(8,449)	(5,152)	(62.3)
Loss attributable to:			
Owners of the Company	(8,554)	(916)	(824.6)
Non-controlling interests	(6)	(4,063)	(100.0)
	(8,560)	(4,979)	(70.1)
Total comprehensive income attributable to:			
Owners of the Company	(8,443)	(1,089)	667.5
Non-controlling interests	(6)	(4,063)	(100.0)
	(8,449)	(5,152)	62.3

1(b)(i) Statements of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position	Group		Company	
	30/09/2016	30/06/2016	30/09/2016	30/06/2016
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Audited	Unaudited	Audited
ASSETS AND LIABILITIES				
Non-current assets				
Interests in subsidiaries	-	-	134,381	134,381
Property, plant and equipment	73,335	69,721	-	-
Investment properties	535,607	535,607	-	-
Land use rights	10,579	10,668	-	-
Deferred tax assets	49,384	49,384	-	-
	668,905	665,380	134,381	134,381
Current assets				
Properties held under development	1,435,954	1,380,839	-	-
Properties held for sale	1,862,571	1,872,160	-	-
Accounts receivable	-	6,377	-	-
Prepayments, deposits paid and other receivables	695,337	664,868	1,433	1,317
Due from subsidiaries	-	-	339,845	340,011
Cash and bank balances	219,210	198,352	-	-
	4,213,072	4,122,596	341,278	341,328
Current liabilities				
Accounts payables	155,244	346,733	-	-
Receipts in advance	1,495,825	1,272,462	-	-
Accruals, deposits received and other payables	651,248	409,681	8,664	7,859
Interest-bearing bank and other borrowings	792,890	785,246	-	-
Income tax payable	193,885	202,989	-	-
	3,289,092	3,017,111	8,664	7,859
Net current assets	923,980	1,105,485	332,614	333,469
Total assets less current liabilities	1,592,885	1,770,865	466,995	467,850
Non-current liabilities				
Interest-bearing bank and other borrowings	483,978	653,509	-	-
Deferred tax liabilities	125,352	125,352	-	-
	609,330	778,861	-	-
Net assets	983,555	992,004	466,995	467,850
EQUITY				
Equity attributable to owners of the Company				
Share capital	133,882	133,882	133,882	133,882
Reserves	553,005	561,448	333,113	333,968
	686,887	695,330	466,995	467,850
Non-controlling interests	296,668	296,674	-	-
Total equity	983,555	992,004	466,995	467,850

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 30/09/2016		As at 30/06/2016	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
581,000	211,890	444,000	341,246

Amount repayable after one year

As at 30/09/2016		As at 30/06/2016	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
345,559	138,419	619,508	34,001

Details of any collateral

As at 30 September 2016, the Group's interest-bearing bank borrowings of RMB926.6 million were secured by the pledge of certain properties held under development, properties held for sale and investment properties of the Group.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	30/09/2016	30/09/2015
	RMB'000	RMB'000
	Unaudited	Unaudited
Cash flows from operating activities		
Loss before income tax	(8,091)	(1,239)
Adjustments for:		
Interest income	(130)	(142)
Amortisation of land use rights	89	89
Depreciation of property, plant and equipment	2,300	2,150
Gain on disposal of property, plant and equipment	-	(1,456)
Operating loss before working capital changes	(5,832)	(598)
Increase in properties held for development	-	(909)
Increase in properties held under development	(13,284)	(3,967)
Decrease in properties held for sale	9,589	100,830
Increase in accounts receivable	6,377	-
Increase in prepayments, deposits paid and other receivables	(30,469)	(21,322)
Decrease in account payables	(191,489)	(8,642)
Increase in receipts in advance	223,362	58,394
Increase/(decrease) in accruals, deposits received and other payables	241,568	(4,639)
Cash generated from operations	239,822	119,147
Income taxes paid	(9,573)	(15,346)
Interest received	130	142
Net cash generated from operating activities	230,379	103,943
Cash flows from investing activities		
Decrease in restricted bank deposits	-	65,574
Proceeds from disposal of property, plant and equipment	-	2,787
Purchases of property, plant and equipment	(5,914)	(207)
Net cash generated (used in)/from investing activities	(5,914)	68,154
Cash flows from financing activities		
Proceeds from bank and other borrowings	207,629	111,110
Repayments of bank and other borrowings	(369,516)	(210,520)
Interest paid	(41,831)	(37,844)
Net cash used in financing activities	(203,718)	(137,254)
Net increase in cash and cash equivalents	20,747	34,843
Effect on exchange translation	111	(173)
Cash and cash equivalents at beginning of period	198,352	101,927
Cash and cash equivalents at end of period	219,210	136,597

Note:

	Group 3 months ended	
	30/09/2016	30/09/2015
	RMB'000	RMB'000
	Unaudited	Unaudited
Cash and bank balances	219,210	265,413
Less: Restricted bank deposits	(128,816)	(128,816)
Cash and cash equivalents for the purpose of statement of cash flows	90,394	136,597

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital RMB'000	Share premium* RMB'000	Merger reserve* RMB'000	Revaluation reserve* RMB'000	Statutory reserve* RMB'000	Translation reserve* RMB'000	Retained profits* RMB'000	Non-controlling Interests RMB'000	Total RMB'000
At 30 June 2015 and 1 July 2015 (Audited)	133,882	302,585	20,720	4,582	93,892	2,850	212,559	308,187	1,079,257
Loss for the period	-	-	-	-	-	-	(916)	(4,063)	(4,979)
Other comprehensive income									
- Exchange difference arising on translation of financial statements of foreign subsidiaries	-	-	-	-	-	(173)	-	-	(173)
Total comprehensive income for the period	-	-	-	-	-	(173)	(916)	(4,063)	(5,152)
At 30 September 2015 (Unaudited)	133,882	302,585	20,720	4,582	93,892	2,677	211,643	304,124	1,074,105
At 30 June 2016 and 1 July 2016 (Audited)	133,882	302,585	20,720	10,293	93,892	3,138	130,820	296,674	992,004
Loss for the period	-	-	-	-	-	-	(8,554)	(6)	(8,560)
Other comprehensive income									
- Exchange difference arising on translation of financial statements of foreign subsidiaries	-	-	-	-	-	111	-	-	111
Total comprehensive income for the period	-	-	-	-	-	111	(8,554)	(6)	(8,449)
At 30 September 2016 (Unaudited)	133,882	302,585	20,720	10,293	93,892	3,249	122,266	296,668	983,555

* These reserve accounts comprise the consolidated reserves of approximately RMB553,005,000 (1QFY2016: RMB636,099,000) in the consolidated statement of financial position.

Company

	Share capital RMB'000	Share premium** RMB'000	Contributed surplus** RMB'000	Accumulated losses** RMB'000	Total RMB'000
At 30 June 2015 and 1 July 2015 (Audited)	133,882	304,474	35,064	(1,900)	471,520
Loss for the period and total comprehensive income for the period	-	-	-	(824)	(824)
At 30 September 2015 (Unaudited)	133,882	304,474	35,064	(2,724)	470,696
At 30 June 2016 and 1 July 2016 (Audited)	133,882	304,474	35,064	(5,570)	467,850
Loss for the period and total comprehensive income for the period	-	-	-	(855)	(855)
At 30 September 2016 (Unaudited)	133,882	304,474	35,064	(6,425)	466,995

** These reserve accounts comprise the Company's reserves of approximately RMB333,113,000 (1QFY2016: RMB336,814,000) in the Company's statement of financial position.

1(d)(ii)Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no shares held as treasury shares and the Company does not have any share that may be issued on conversion of any outstanding convertibles as at 30 September 2016.

1(d)(iii)To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Group		Company	
	30/09/2016	30/06/2016	30/09/2016	30/06/2016
Total number of issued shares	69,400,000	69,400,000	69,400,000	69,400,000
Less: Treasury shares	-	-	-	-
Total number of issued shares excluding treasury shares	69,400,000	69,400,000	69,400,000	69,400,000

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group had applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in those of the audited financial statement for the year ended 30 June 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the new and revised International Financial Reporting Standards (IFRSs) which are relevant to and effective for the Group's Financial Statements for the financial periods beginning on 1 July 2016. The adoption of these new and amended IFRSs did not give rise to significant change to the financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	3 months ended	
	30/09/2016	30/09/2015
	Unaudited	Unaudited
Losses per share		
(a) Basic (RMB dollars)	(0.12)	(0.01)
(b) Fully diluted (RMB dollars)	N/A	N/A

Note:

The calculation of basic losses per share is based on the loss for the period attributable to owners of the Company of approximately RMB8,554,000 (1QFY2016: loss of RMB916,000) and on 69,400,000 (1QFY2016: 69,400,000) ordinary shares in issue during the period.

Diluted losses per share for the periods ended 30 September 2016 and 2015 was not presented as there was no potential dilution of the Company's ordinary share capital.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30/09/2016	30/06/2016	30/09/2016	30/06/2016
Net asset value per ordinary share based on issued share capital at the end of the period: (RMB dollars)	9.90	10.02	6.73	6.74

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

Review of performance

Revenue

The Group's revenue for the period ended 30 September 2016 ("1QFY2017") was mainly derived from the sales of units in Xilang project and Tonghua project, namely Ming Yue Shui An (明月水岸) in Guangzhou City and Hou De Zai Wu (厚德載物) in Tonghua City respectively.

The Group's revenue in 1QFY2017 amounted to RMB37.5 million which was RMB132.2 million lower than 1QFY2016. The decrease in revenue was due mainly to the slowdown in handover of the pre-sale residential units of Group's projects and hence the revenue dropped during the period.

Cost of sales

The Group's cost of sales in 1QFY2017 amounted to RMB30.4 million which was RMB110.4 million lower than 1QFY2016. The decrease in cost of sales was in line with the decrease in revenue.

Gross profit

The Group recorded a gross profit of RMB7.3 million in 1QFY2017 which was RMB21.8 million lower than 1QFY2016. The decrease in gross profit was in tandem with the decrease in revenue.

Other income and gains

The Group recorded other income and gains of RMB6.2 million in 1QFY2017 which were RMB1.4 million lower than 1QFY2016. The income was mainly generated by the ticket sales income from Batai Mountain National Park. The decrease was because there was gain on disposal of property, plant and equipment of RMB1.5 million in 1QFY2016, but no such income was recorded in 1QFY2017.

Selling expenses

The Group recorded selling expenses of RMB4.9 million in 1QFY2017 which were RMB1.5 million lower than 1QFY2016. The decrease was mainly due to fewer advertising and promotional activities during the period.

Administrative expenses

The Group recorded administrative expenses of RMB14.7 million in 1QFY2017 which were RMB15.5 million lower than 1QFY2016. The decrease was due mainly to the decrease in lower local taxes incurred in related to Ming Yue Shui An (1QFY2017: RMB0.4 million; 1QFY2016: RMB10.7 million) during the period. The entertainment and salaries expenses also decreased due to the cost control policy implemented by the Group.

Other operating expenses

The Group recorded other operating expenses of RMB1.9 million for 1QFY2017 which was RMB0.6 million lower than 1QFY2016. The increase was mainly due to an increase in direct expenses such as staff cost, repair and maintenance and others, in relation to the Batai Mountain National Park project.

Income tax expense

The Group recorded income tax expense of RMB0.5 million in 1QFY2016 which were RMB3.3 million lower than 1QFY2016. The amount represented the land appreciation tax. The Group did not record any enterprise income tax for the period under review.

Loss for the period

The Group recorded a loss of RMB8.6 million in 1QFY2017, compared to a loss of RMB5.0 million in 1QFY2016. The increase in loss was due mainly to a decrease in revenue as mentioned above.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Group Financial Position as at 30 September 2016**Current assets**

As at 30 September 2016, the Group's current assets stood at RMB4,213.1 million, representing an increase of RMB90.5 million compared to RMB4,122.6 million as at 30 June 2016. The increase was mainly attributable to the increase in properties held under development by RMB55.1 million as a result of the continuing development of the Group's Tonghua project during the period. The increase in cash and bank balances was a result of the increase in receipt from advance from customers.

Current liabilities

As at 30 September 2016, the Group's current liabilities stood at RMB3,289.1 million, representing an increase of RMB272.0 million, compared to RMB3,017.1 million as at 30 June 2016.

The increase in balance was due mainly to the increase in receipt in advance of RMB223.4 million for the pre-sales of residential units from Ming Yue Shui An and Hou De Zai Wu.

Non-current liabilities

As at 30 September 2016, the Group's non-current liabilities stood at RMB609.3 million, representing an decrease of RMB169.5 million, compared to RMB778.9 million as at 30 June 2016. The decrease in balance was due to (i) net increase in interest-bearing bank loan and other borrowings of RMB77.5 million with maturity date due over one year and (ii) reclassification of interest-bearing bank loans and other borrowings of RMB247 million which will be due within one year to current liabilities.

Total equity

As at 30 September 2016, the Group's equity stood at RMB983.6 million, representing a decrease of RMB8.4 million, compared to RMB992.0 million as at 30 June 2016. This was due mainly to the loss for the period under review.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The 1QFY2017 results are in line with item 10 of the Company's results announcement for the year ended 30 June 2016 released via SGXNet on 29 August 2016.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Chinese Government is constantly fine-tuning its policies for the property markets. As such the Group will monitor the market closely and will continue to implement formulated strategies that mitigate against any possible headwinds. The Group will concentrate its property development in Guangzhou, and also speeding up to destock our inventory of projects in the second tier cities.

The Group is on schedule for its construction work in progress. Details of the occupancy and take-up rates of the Group's major existing projects which had obtained pre-sale certificates as at 30 September 2016 are as follows:

	Shan Qing Shui Xiu (山清水秀)	Aqua Lake Grand City (Phase II) (绿湖豪城)	Ming Yue Xing Hui (明月星辉)	Ming Yue Jin An (明月金岸)	Ming Yue Shui An (明月水岸)	Hou De Zai Wu (厚德载物)
Total units of residential for sales	1,791	1,005	431	404	605	1,481
Total units handed over to buyers as of 30 September 2016	305	967	431	373	340	430
Percentage of handed over	17%	96%	100%	92%	56%	29%
Pre-sale units not handed over to buyers as at 30 September 2016						
- Residential unit	420	11	-	26	235	162
- Carpark	-	-	22	52	-	-
- Hotel	-	1	-	-	-	-
Pre-sale value not handed over to buyers as at 30 September 2016	RMB422.7 million	RMB306.6 million	RMB13.0 million	RMB109.2 million	RMB461.8 million	RMB60.4 million

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

N/A

(d) Books closure date

N/A

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the first quarter results ended 30 September 2016.

13. Use of Placement proceeds

The Board refers to the net proceeds of RMB43,432,000 raised from the placement of 39 million ordinary shares on 27 December 2013. As at 30 September 2016, the Company had used all the proceeds for the Group's property development.

14. Confirmation By Directors Pursuant to Rule 705(5) of the Listing Manual of SGX-ST.

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of China Yuanbang Property Holdings Limited which may render the financial statements for the first quarter results ended 30 September 2016 to be false or misleading in any material aspect.

For and on behalf of the
Board of Directors of
China Yuanbang Property Holdings Limited

Lin Yeju
Non-Executive Chairman

Zheng Shaorong
Director

15. General mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii)

The Company does not have an IPT mandate.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Company hereby confirms that it has procured undertakings from all the directors and executive offices under Rule 720(1).

BY ORDER OF THE BOARD

Lin Yeju
Non-Executive Chairman

11 November 2016